



**Director of
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USSR-SYRIA: Reaction to Events in Lebanon

Recent Soviet actions in support of Syria suggest Moscow is becoming somewhat less cautious toward the US buildup off Lebanon. [REDACTED]

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Soviet media, after more than a week of near silence, are condemning the US warnings to Syria. None of the articles, however, contains threats of Soviet counteraction. [REDACTED]

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Comment: Moscow's delay in responding to the US military buildup and the warnings to Syria probably stemmed from a desire not to become committed to any specific response if US and Syrian forces were to clash in Lebanon. [REDACTED]

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ISRAEL: Forming a New Government

Prime Minister Begin's formal resignation yesterday clears the way for President Herzog to ask Foreign Minister Shamir to form a new government, but Shamir probably will not actually assume office for several weeks. []

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A personal envoy delivered Begin's resignation letter while the Prime Minister remained secluded for the eighth straight day. Numerous media reports speculate that Begin's physical and emotional health is rapidly deteriorating. He reportedly has stopped shaving and barely eats. []

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Meanwhile, the tension between Defense Minister Arens and his predecessor, Ariel Sharon, has increased. Sharon publicly charged this week that gains made by Israel under his leadership have been squandered by Arens's policies. []

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Comment: Herzog will consult with representatives of all factions in the Knesset before asking one to form a new government. The agreement reached this week between Shamir and the coalition partners virtually assures that he will obtain Herzog's approval. []

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Nonetheless, fashioning a new coalition is likely to take some time. According to the US Embassy, several coalition partners are openly suspicious of the backroom deals that may have been made to nail down the coalition agreement. If Begin is too ill to carry out his duties as caretaker Prime Minister, he may appoint either Shamir or Deputy Prime Minister Levy to act on his behalf. []

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Sharon's public criticism of Arens may be part of a bid to regain political power in a new government. He also probably is preparing for a protracted succession struggle if, as is widely assumed in Israel, Shamir's government does not last long. []

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Civil Disobedience Increases

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PAKISTAN: More Problems for Zia

The first killing of demonstrators in Sind Province by Army troops and the decision by additional parties that in the past have supported President Zia to join the civil disobedience campaign will give further impetus to the antiregime movement.

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Large protests are continuing in Sind Province, where Army and paramilitary troops have become more involved in putting down violence. The disturbances so far have not spread to other provinces, but on Tuesday a bomb went off in Lahore, capital of Punjab Province.

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Comment: Opposition to Zia by an Islamic party that has support outside of Sind and by a moderate landlord group led by Sind's foremost religious leader is a potentially ominous development. Other religious parties, including the mainline Sunnis and well-organized fundamentalists, will come under increased pressure to challenge the President. Active opposition by these parties would be likely to spread civil disorders to Karachi and to the key province of Punjab.

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FRANCE-LIBYA-CHAD: OAU Peace Initiative

OAU Secretary General Onu says he has won French and Libyan support for a diplomatic solution to the crisis in Chad, but the French are denying that there is an agreement. []

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The US Embassy in Addis Ababa says Onu claims that Paris and Tripoli have agreed to a plan calling for a cease-fire in place. An African peacekeeping force would be financed by the French and Libyans, and the Chadian factions would arrange a transitional government and elections. Foreign troops would be withdrawn only after elections and the formation of a new federal government.

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In Paris, however, the US Embassy reports that presidential adviser Guy Penne denies there is any agreement with the Libyans. He insists that Paris considers Onu's plan unrealistic. []

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[] according to the US Embassy in N'Djamena, the French commander in Chad says he is not restraining President Habre because Habre's aggressiveness will encourage the Libyans to negotiate. []

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Comment: There is no evidence to support Onu's claims of an agreement. The French want a withdrawal of Libyan forces before negotiating—even though it is inconceivable that Libyan leader Qadhafi would accept this. They view the rivalry between Habre and dissident leader Goukouni as a barrier to a settlement, but there is no sign that they have identified plausible alternative leadership. []

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The Libyans have little incentive to make concessions to the French. They presumably feel that time is on their side because they believe the French are eager to extricate themselves. []

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USSR-CHINA: Moscow's Analysis of Beijing's Policy

The first major article on China in a Soviet journal in more than a year takes a hard look at Beijing's foreign policy and concludes that China remains committed to "strategic cooperation" with the US.

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The article appears in the September issue of the Russian edition of *International Affairs*, a key channel for distributing officially approved pronouncements on political issues to the Soviet people. It reflects orthodox views of China and Beijing's foreign policy that have long been associated with both officials and scholars at the Institute of the Far East. The article contrasts with, and implicitly rebukes, the private analysis of other Soviet China watchers, whose view that China is returning to the "socialist camp" cannot be published in Moscow.

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Comment: The article almost certainly was written under the supervision of the Central Committee's senior China expert. It presumably also had the approval of the Foreign Ministry's top China expert, Deputy Minister Kapitsa. Moscow may have hoped that the article's appearance on the eve of Kapitsa's just-concluded visit to Beijing would stimulate Chinese flexibility during his talks there, as well as during the next round of Sino-Soviet consultations and Foreign Minister Gromyko's meeting with Chinese Foreign Minister Wu next month at the UN. Despite its tough assessment of Beijing's current policy, the article's conclusions are not inconsistent with Moscow's approach as it has developed over the past year.

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The Soviets also may want to discourage speculation about prospects for a sudden breakthrough in relations following Kapitsa's visit. Differences in Moscow about political developments in China do not necessarily reflect deep divisions over how to handle the Chinese.

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Moscow has trouble, however, explaining its policy toward China to a variety of domestic and foreign audiences. It probably wants to counter any suggestions that unilateral gestures might accelerate the process of normalization.

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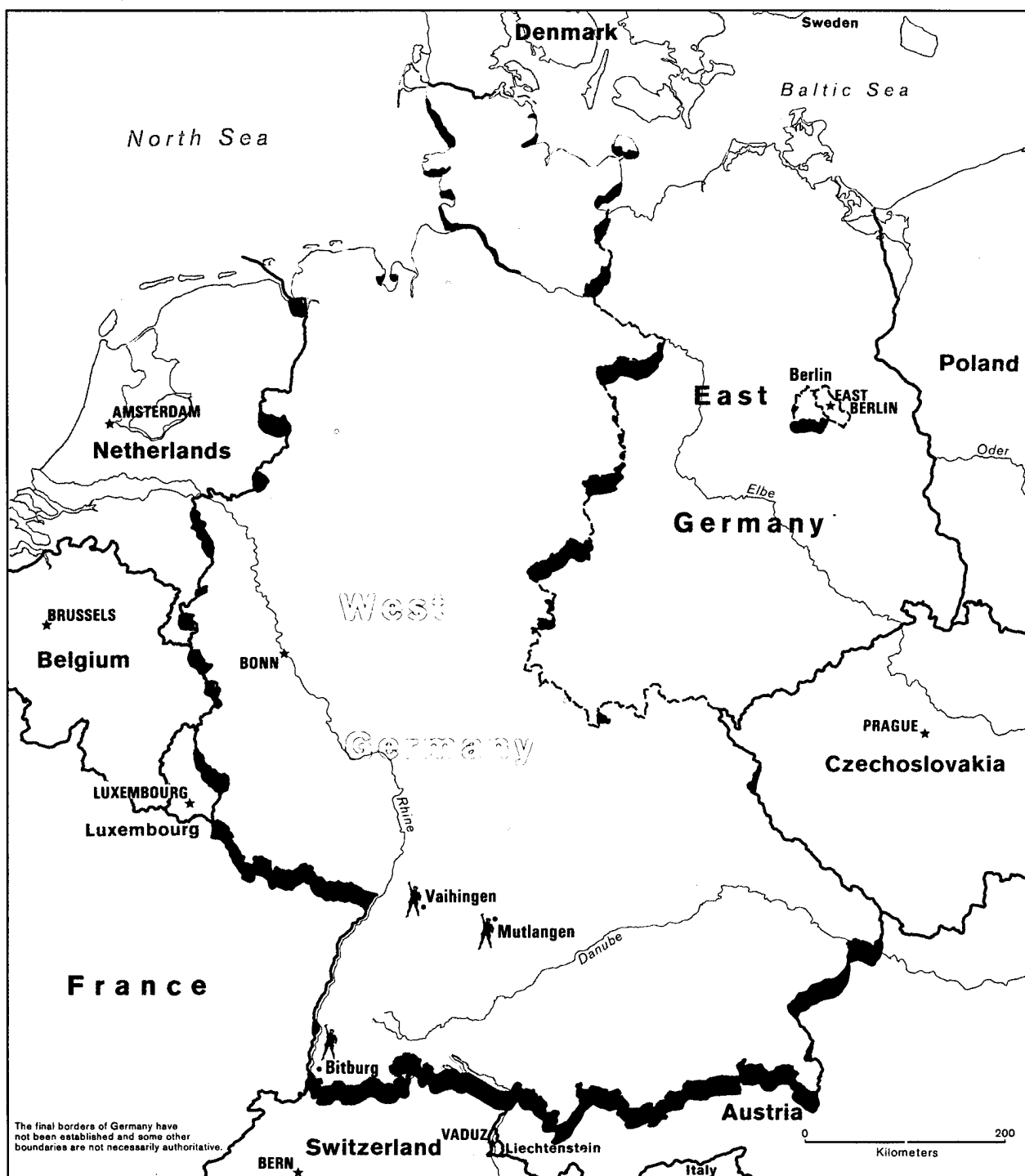
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INF Protest Sites



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WEST GERMANY: Handling Anti-INF Protests

The mixture of flexibility and firmness by the West German security forces toward anti-INF protesters is proving effective, but the biggest challenge probably will come next month, when protest activity is likely to peak. []

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Press accounts state that a blockade of a US base near Mutlangen by prominent literary and political personalities disappointed the demonstrators because the authorities left them alone and the media did not criticize the police. At Bitburg, however, US and West German authorities decided that the US base had to be kept open. Security forces used water cannon and guard dogs to clear a blockade. []

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At the US European Command headquarters in Vaihingen, police set up barricades in advance to prevent protesters from approaching the gates. Newspapers also report that some federal and local officials are meeting with peace movement leaders before demonstrations to ensure that they do not result in bloodshed. []

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Comment: Federal officials are pleased by the efficiency of security forces, and many in the West German media also have commented on the mildness of the anti-INF campaign so far. []

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After some initial hesitation, state officials apparently now understand that they can take the lead in handling security within US bases when invited in by the base commander. The conferences between police and the leaders of nonviolent protest groups probably will reduce the chances of miscalculation by either side and help the police isolate disorderly elements. Radical activists already have begun to criticize these meetings as playing into the hands of the authorities. []

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FRANCE: Interest in International Monetary Reform

France is reviving the issue of international monetary reform and will be seeking strong support from other industrial countries during the annual meetings of the World Bank and IMF later this month.

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Paris is disappointed about the lack of progress on the reforms discussed at the Williamsburg Summit. Finance Minister Delors will raise the topic at the meeting of the industrial nation group, or "G-10," in Washington on 23 September, before the opening of the meetings of the World Bank and IMF. He stressed in a recent press statement that the seriousness of world financial problems calls for structural changes in the system.

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French Treasury Director Camdessus has told the US Embassy that developing a formal procedure for G-10 discussions and instituting techniques for monitoring instability in the foreign exchange market are two high-priority projects. The French also want to study diversification of foreign exchange holdings, reassess the role of the IMF's special drawing rights, and look into medium-term financing mechanisms for the IMF, which Camdessus believes will be short of funds in 1985 and 1986.

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The EC currently is trying to negotiate a common position on monetary reform issues in preparation for the G-10 meeting. The US Embassy in Brussels believes that views in the EC on exchange rates are so divergent that a common position is unlikely.

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Comment: The statements of Delors and Camdessus elaborating the French presentation at the Williamsburg Summit reflect a desire not to let the issue of international monetary reform languish. Delors, who will chair the G-10 meeting, will try to get agreement for some concerted action, possibly the adoption of a procedural agenda and the creation of a study group. In the context of monetary reform, the French also are likely to raise the issue of US interest rates.

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Although the French want to keep the issue of international monetary reform within the G-10, reform also is sought by the developing countries of the Third World. The latter might seek a broader forum for debate.

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AFGHANISTAN-US: Embassy Threatened

An Afghan Government official informed the US Embassy in Kabul yesterday that security forces cannot be responsible for the safety of the mission and its personnel. He claimed that local residents were incensed over behavior of US diplomats and warned they might take action against the mission. The regime yesterday also expelled two US officials allegedly for espionage, and the press carried "confessions" of spying by two local employees who had been arrested earlier. [REDACTED]

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Comment: The threat and explosions represent an attempt by the Soviets to limit the flow of information on Afghanistan to the West. The Soviets also may be trying to call attention to US "intelligence activities" in the aftermath of the South Korean airliner incident. The intensification of Kabul's campaign suggests the government may be willing to close the Embassy, even though this action would risk the closure of other Western embassies and diminish the regime's claim to legitimacy. [REDACTED]

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USSR: Grain Harvest Nearing Completion

The grain harvesting campaign in the USSR is entering the final stages. The Central Statistical Administration reports that, as of 12 September, 101 million hectares—more than 80 percent of the total area—had been cut. Except for recent delays caused by rainfall in the northern parts of the grain region, the harvest has proceeded at an unusually quick pace. Moreover, the Soviet press indicates that the quality of grain harvested thus far is much better than last year. []

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Comment: Grain quality in the wet areas still to be harvested probably will be somewhat poorer. Even so, unless the rains continue unabated for the next few weeks, Soviet farmers should be able to complete the harvest with little loss in quantity. []

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COSTA RICA-NICARAGUA: Security Crackdown

Public Security Minister Solano has moved to halt Eden Pastora's use of Costa Rica for anti-Sandinista operations. According to the press, several of Pastora's supply boats loaded with arms and munitions have been confiscated, and a large number of his men have been arrested within the past week. Both Pastora and insurgent political leader Robelo claim the crackdown has caused them to suspend an offensive planned for this month. Solano says Costa Rica is determined to remain neutral in the Nicaraguan conflict, a theme President Monge reiterated yesterday in an official statement. []

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Comment: Solano, who has acted independently in the past against Pastora's activities in Costa Rica, may have instituted the crackdown without Monge's approval. The President usually has given the insurgents considerable leeway. He may be reluctant to restrain Solano at this time, however, because recent insurgent actions have cast doubt on Costa Rican neutrality. []

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